

Rule Change for Beneficiary Substitutions

The MasterPACT document provides for a beneficiary substitution. Up until 1997, beneficiary substitutions were not allowed if ANY contract benefits had been used. Since 1998, the MasterPACT document has relied on the Program Rules to define the boundaries of beneficiary substitution. The Program Rules have imposed various limitations on beneficiary substitution as amended from year to year.

The current Rule requires 32 semester hours remaining for a beneficiary substitution. Additionally, only one beneficiary substitution may be made during the life of the contract.

This past legislative session, the Legislature passed Act 2010-725 to provide public funds to assure the financial viability of PACT. The Legislature directed the PACT Board to make financially beneficial changes to the PACT Rules. The Rules were revised in an effort to keep PACT viable.

No beneficiary substitution was allowed for the first seven years of the program if one hour of tuition had been used. The current Rule is less restrictive than it was at inception.